



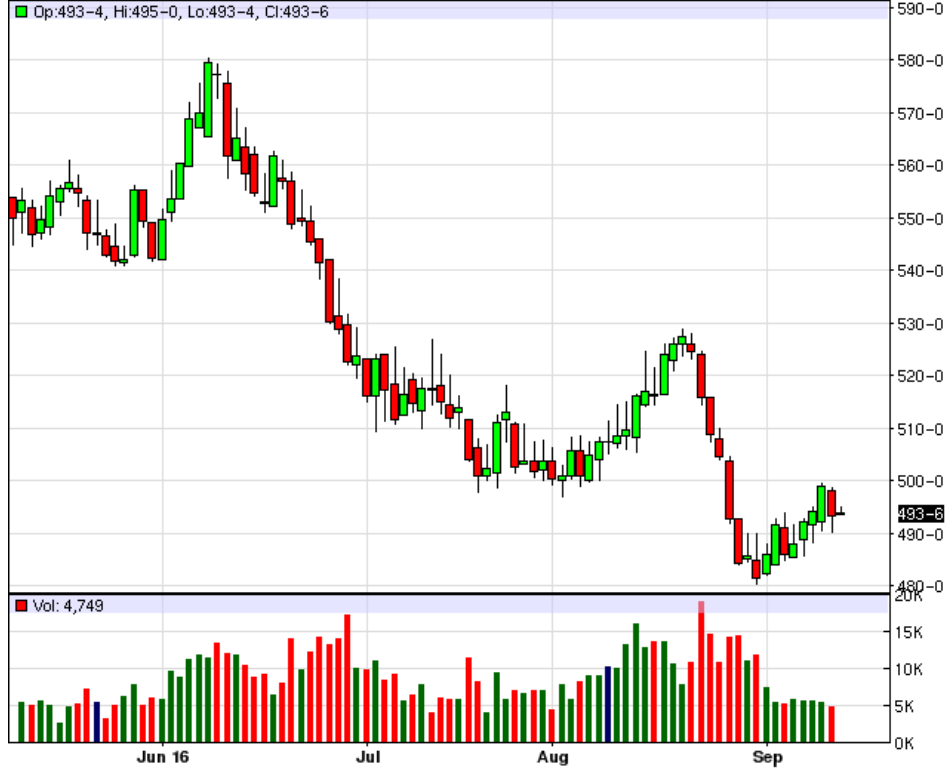
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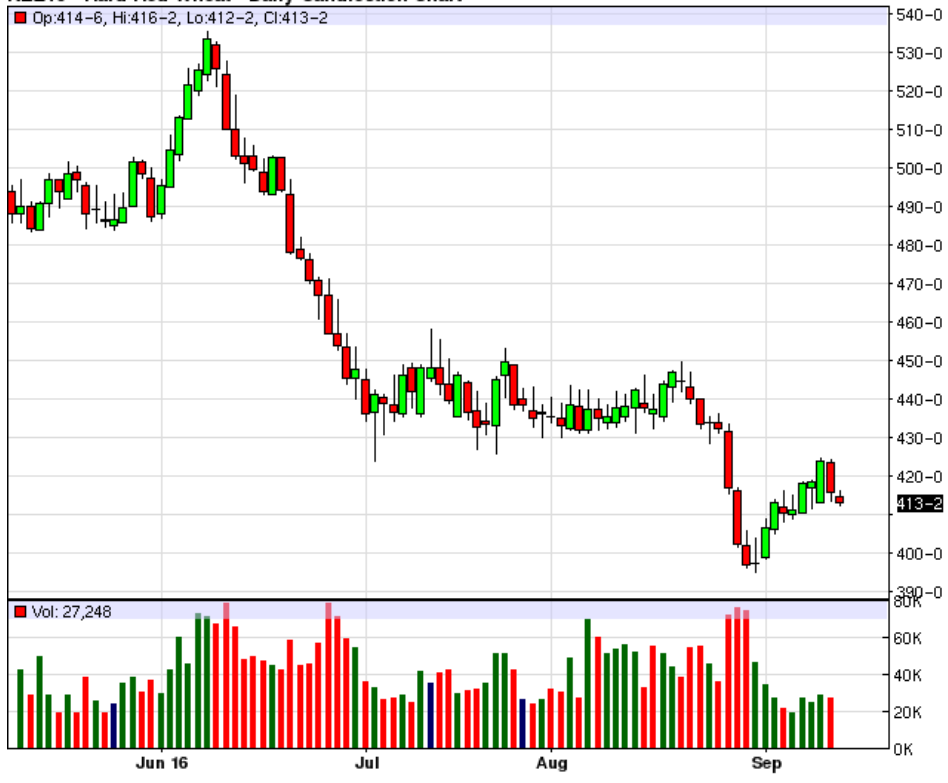
## WASDE REPORT BEARISH FOR CORN AND SOYBEANS BUT ARE GRAINS NEAR A BOTTOM?

Lower closes for soybeans, soybean meal and soybean oil along with oats, rough rice, corn, Minneapolis, Kansas City and Chicago wheat. Decent exports continue and while we have had another bearish grain report only the oats made a new CONTRACT LOW AND CLOSE since my last Wednesday's report. That may not seem like much but go back and read what I've written over the last few months and you will understand why. Although I keep rehashing the same lines over and over because 'it is what it is', I do feel, at least a short term, a bottom is near. However, only the corn chart is showing a possible bottoming formation at this time. I do feel we will have some kind of bounce soon and if you haven't hedged or cash forwarded a good portion of your crops by now ---- too bad! You could say I'm being very blunt but how can you sugar coat the grain complex? Technically and fundamentally we were warned all the way down so why should any of us be surprised. I know we've had some retracement rallies along the way but those were just gifts for us to hedge. Hindsight, of course, is an exercise in futility, but the greed factor has a way of catching up to all of us. I realize that I've over simplified a complicated process, but this crop year should be treated as a learning process for those of us who need it. Really, that's why we have a hedging department that includes a retired farmer and a qualified broker who, at one time, hedged for companies like Frito Lay! With that being said, Minneapolis has been in an overall downtrend since June, 2011, KS since Feb. 2011, Chicago July 12, oats March 14, rough rice March 08 (latest being June 14), corn Aug. 12, soybeans Sept. 12, meal, Aug. 12 and soybean oil since Aug. 11. Of course, there have been retracement rallies along the way but until we prove otherwise, we must be aware of these trends. We all know our costs have gone only higher along the way. Minneapolis has its nearest resistance around 500 while KC and Chicago 430. Oats has its closest resistance around 180 making a new contract low and close on Tuesday as mentioned above. Rice has retraced higher since my last report and that's all I can say about this grain right now. Corn is the only grain making a possible bottom at this time but the wheat and bean complex are too risky to take a major short position as harvesting has begun in some areas of the country. Hopefully, we'll still see a bounce in corn up to 350 in the coming weeks. I need to see the beans to close over 1020 to get a little excited while I still have a buy in oil which now resides in a strong looking support area. BUY SIGNAL FOR SOYBEAN OIL. SELL SIGNALS FOR MINNEAPOLIS, KANSAS CITY AND CHICAGO WHEAT ALONG WITH OATS. ROUGH RICE, CORN, SOYBEANS AND SOYBEAN MEAL. For additional charts, quotes, news, commentary & more, sign up for a FREE 30 -day trial to [markethead.com](http://markethead.com).

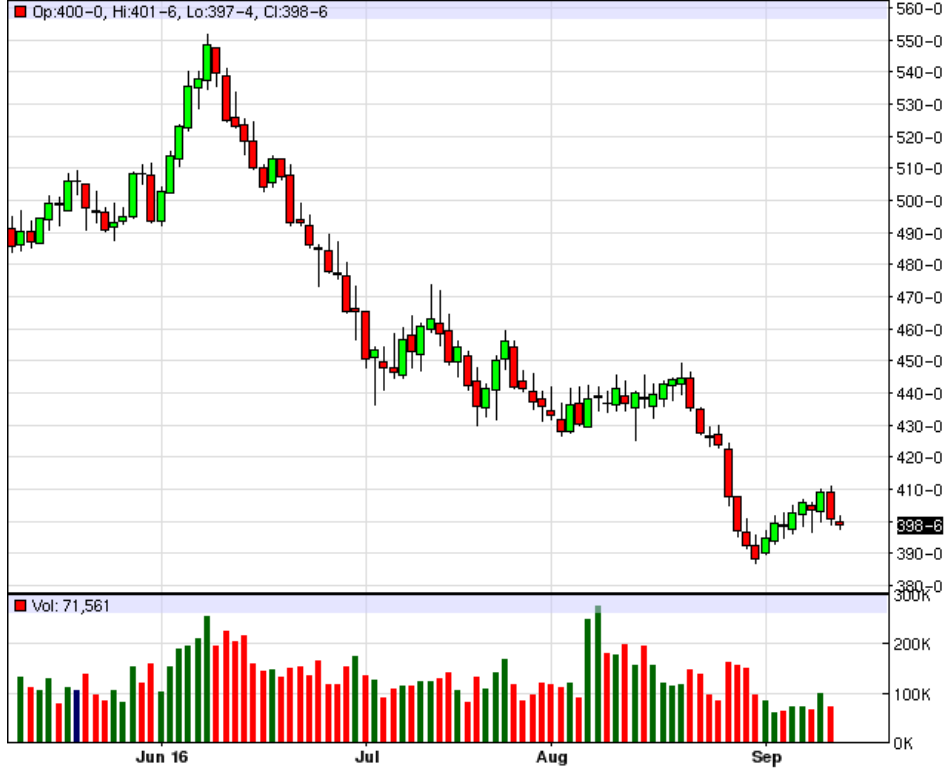
MWZ16 - Spring Wheat - Daily Candlestick Chart



KEZ16 - Hard Red Wheat - Daily Candlestick Chart



ZWZ16 - Wheat - Daily Candlestick Chart



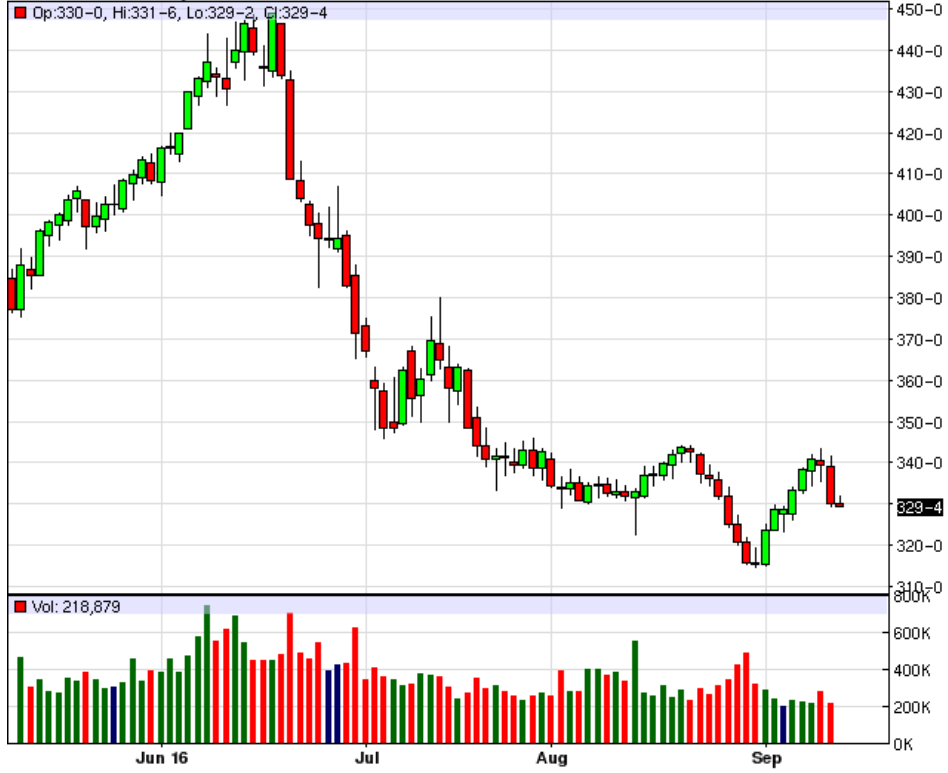
ZOZ16 - Oats - Daily Candlestick Chart



ZRX16 - Rough Rice - Daily Candlestick Chart



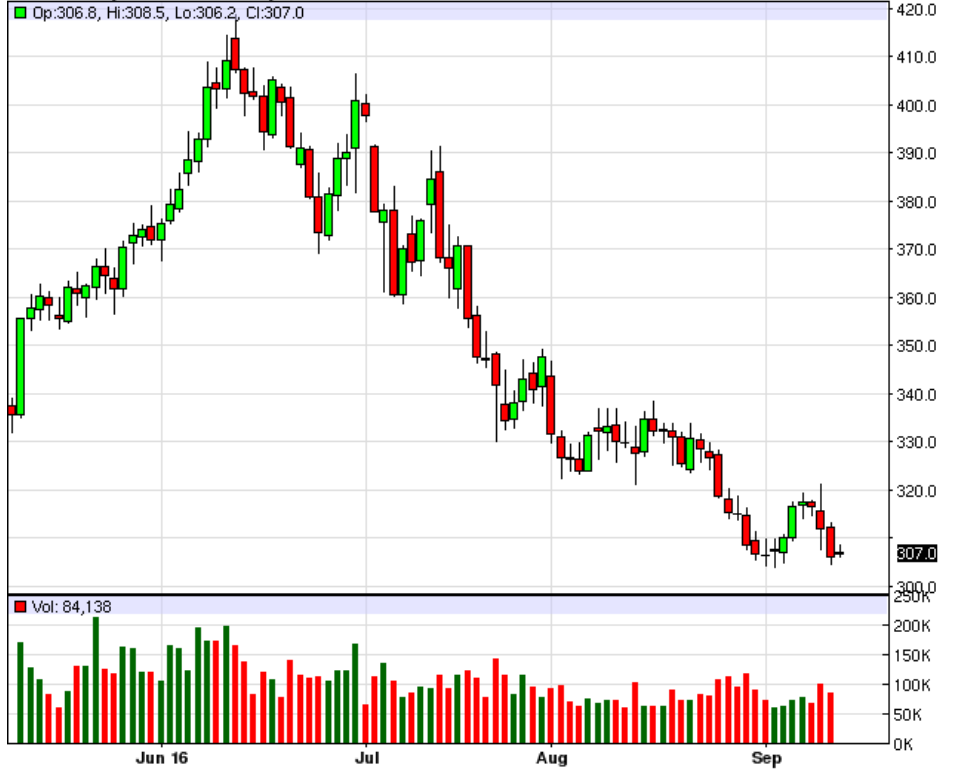
ZCZ16 - Corn - Daily Candlestick Chart



ZSX16 - Soybeans - Daily Candlestick Chart



ZMZ16 - Soybean Meal - Daily Candlestick Chart



ZLZ16 - Soybean Oil - Daily Candlestick Chart



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